

FISCAL NOTE

SB 1759 – HB 1979

February 28, 2007

SUMMARY OF BILL: Creates a loan-scholarship program to be funded with lottery scholarship funds, available for students seeking to receive degrees, certificates, diplomas, or other credentials necessary for licensure in a profession in which there is a critical shortage in Tennessee or a particular area of Tennessee. Creates the loan-scholarship board for critical shortage fields with the Commissioner of Economic and Community Development (ECD) serving as chairman of the board.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Not Significant

Other Fiscal Impact – Increases the expenditure of lottery proceeds earmarked for scholarships and grants by \$2,516,000 in FY07-08 and by \$3,774,000 in FY08-09.

Assumptions:

- An estimated 500 students will participate in the first year receiving an average award of \$5,032 (the average of tuition and fees from seven public institutions).
- The increase in the expenditure of lottery proceeds is estimated to be \$2,516,000 in FY07-08 (500 x \$5,032).
- An additional 500 students will participate in the second year, with a 50% retention rate of first year students.
- The increase in the expenditure of lottery proceeds is estimated to be \$3,774,000 in FY08-09 (750 x \$5,032).
- Any costs to the Department of ECD, TSAC and the appropriate licensing board, in carrying out the requirements of the bill is estimated to be not significant and can be handled within existing budgets.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director